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ABSTRACT

HEW has become a focus for the aspirations and concerns of our Nation for the income, the education, the physical and mental health, and well being of its citizenry. This report looks to the future and suggests reconception and reform for HEW. Not intended as a progress report, it does review and defend the present structure of the department, with its complexities and divergencies, under the direction of a Cabinet Officer; the interdependency of comprehensive planning is emphasized. The question raised is whether our society can effectively manage our human resource development. Part II examines the department and its operating efficiency, reviewing recent administrative changes and citing the need for evaluation. The crisis developing in this country in the political control of federal programs and funds is discussed in Part III--a crisis of confidence. Recommendations for future reconception and regeneration are made in the following areas: Financial assistance to individuals--ensuring dignity and independence; Financial assistance to states and localities--reforming the intergovernmental delivery system; Capacity building--closing the performance gap. In summary, the former Secretary of HEW urges increased citizen participation in decision making and in realistically facing responsibilities. (JMB)

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RESPONSIBILITY AND RESPONSIVENESS (II)

A Report on

The HEW Potential for the Seventies

by

Elliot L. Richardson
Secretary of Health, Education, and Welfare

January 18, 1973

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FOREWORD

In January 1972, I outlined my thoughts concerning the HEW Potential for the Seventies--in a report titled Responsibility and Responsiveness. It was my hope, thereby, conveniently to provide those interested in HEW with an overview of departmental efforts designed to make HEW a more responsible and responsive instrument for serving the American people. The January 1972 report was, in part, a progress report.

This report reflects an extension of the thinking represented in the 1972 report. But this report is not intended as a progress report. Rather, it looks to the future and suggests reconception and reform for HEW.

In the intervening year, there has, without doubt, been much progress to which one might point with pride. We have seen the enactment of profoundly important social reform legislation: the Education Amendments of 1972 which provide the necessary authority to help ensure that all who wish--regardless of income--may enjoy the

benefits of higher education; the Emergency School Aid Act which provides authority to aid school districts in achieving integration; the 20% Social Security benefit increase which, combined with the two previous benefit increases, marks the most rapid rate of increase in the history of the Social Security Program--a 51.8% increase in less than four years--along with the "cost-of-living escalator" provision which ensures that henceforth social security benefits will be inflation-proof; and the Social Security Amendments of 1972 which comprise a wide range of highly desirable reforms, the most significant of which is authorization of the new Supplementary Security Income program--providing a nation-wide uniform minimum income for the blind, the disabled and the aged poor.

And there has been much progress--although it has often been afforded less public attention than the legislative events of 1972--in the execution of the very broad range of responsibilities with which HEW has been charged by prior Congressional acts.

But although there has been much positive to report, I have in the past year grown ever more concerned about the way in which we, as a society, conceive and manage our responsibilities for human resource development. It

is as a result of careful consideration that, in the pages that follow, I refer to a developing crisis--still largely hidden--facing the human service sector of our society, a crisis which may challenge the fundamental capability of our society to govern itself.

This report is intended to provide a perspective which might better direct attention toward the alleviation and remediation of what I perceive to be an impending crisis.

Elliot L. Richardson

ELLIOT L. RICHARDSON
Secretary

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I. INTRODUCTION

The Department of Health, Education, and Welfare is the institutional bearer of a distinguished heritage of both Federal responsibility and responsiveness.

In the field of health, the heritage dates from the earliest days of our Republic--on July 16, 1798, President John Adams signed an act creating the Marine Hospital Service, precursor of the Public Health Service, to provide treatment for sick and disabled merchant seamen. The responsibilities of the Service were first significantly expanded--to include prevention of epidemics--by the Federal Quarantine Act of 1878. The present National Institutes of Health--three of whose researchers have been honored as recipients of the Nobel Prize in the past four years--derive from the Hygienic Laboratory of the Service. In education--although the first steps toward public education were taken as early as 1647 by the Massachusetts Bay Colony, and land was set aside for public schools by the Congress of the Confederation in 1785--the idea of universal public schools became firmly established in the Civil War era, at which point, in 1867, Congress created the United States Office of Education. And Federal

responsibilities for Social Security and public assistance were established during the Great Depression--with enactment of the Social Security Act on August 14, 1935.

HEW has become--as its name suggests--a focus for the aspirations and concerns of our Nation for the income, the education, the physical and mental health and well-being of its citizenry.

With the expansion of the Department's responsibilities, its scope of activity has now come to range from family planning and prenatal care to regulation and support of nursing homes for the aged, from early education of the disadvantaged to graduate training of Ph.D's, from provision of supportive services for those seeking employment to replacement of wages for those who have retired, from invention of artificial organs to experimentation in the provision of human services via earth-orbiting satellite, from regulation of the sale of food and drugs to rehabilitation of the addicted, from "Sesame Street" for television-watching children to "Meals on Wheels" for the home-bound elderly. In one way or another, HEW touches the lives of virtually every American--often poignantly so.

Throughout the period of expansion of health, education and welfare responsibilities there has been a concomitant growth--of both scope and complexity--in the associated administrative apparatus. Some observers have been led to suggest that the Department--which was established as such relatively recently, in 1953--ought to be split apart. They tend to view the Department as a disparate conglomerate. This view and the suggestion seem to me to be both mistaken and misguided.

The growth of responsibilities, and of the associated administrative apparatus, has been a corollary of the development of our complex industiral and "post-industrial" society. This growth of responsibility has been inescapable--and it is largely irreversible.

For the foreseeable future there will remain the necessity to fix administrative responsibility for the resolution of issues which cut across health, education and welfare organizational units. A practical issue of consequence is whether that responsibility is to be fixed with the White House staff or with a Cabinet officer. My own clear preference is for the latter, because the cross-cutting issues involved are issues of profound import, worthy of open debate--and a Cabinet officer (unlike White House staff) is visible to the public and

accountable to the Congress.

What should no longer be at issue is the question of whether there are, in fact, important problems which cut across the areas of health, education and welfare. The fact is that the interrelationships among HEW programs and activities are far more significant than are their divergences.

Take a random list of our most urgent concerns: poverty, drug abuse, alcoholism, juvenile delinquency, mental retardation, child development, aging, rehabilitation of the handicapped, or any other. Nothing on such a list falls within the exclusive province of any one HEW operating agency. None is exclusively a "health" problem, or an "education" problem, or a "welfare" problem. All involve aspects of each.

Consider mental retardation: genetics, biochemistry, infectious diseases, psychiatric and psychological diagnosis, residential care, day care, training, special education, public education, teacher training--each has a part either in the prevention of mental retardation, the care of the retarded, or their maximum self-development.

Or drug abuse: psychopharmacology, diagnosis and treatment of personality disorders and deficiences, education as to the dangers of drug abuse, community mental health resources, commitment procedures, rehabilitiation programs--all have a part in combating the problem.

A similar list of complementary and mutually reinforcing activities could be made for each of the Department's most urgent and difficult problems.

Wherever we have turned--as our society has grown in complexity and as our knowledge about the nature and extent of social problems has grown in sophistication--we have come increasingly to an appreciation of the profoundness of the interdependency among health and education and welfare.

The grouping of health, education and welfare responsibilities in a single Department is neither haphazard nor arbitrary. And, indeed, it has been recommended by serious analysts of the Executive Branch throughout the twentieth century--in 1923 by President Harding, in 1924 by the Joint Committee on Reorganization, in 1932 by President Hoover, in 1937 by the President's Committee on Administrative Management, in 1939 and 1953 by the

Congress, and more recently by the Ash Commission and President Nixon.

Recently, I had an opportunity--through publication of a study of Work in America--to help direct public attention toward the relevance to health and education and welfare of yet another urgent and difficult problem: worker discontent. We have long understood, in one manner or other, that education and health and family characteristics are powerful determinants of employment status. There now appears to be highly suggestive evidence that the reverse relationship may be similarly powerful--that job (dis)satisfaction may be an important determinant of physical and mental health, of aggression, delinquency, drug and alcohol addiction, and of family stability.

Again we are led to the conclusion that our problems would be better viewed and better treated as clusters of interdependent variables. And the review of the evidence on work would suggest that we must continue to expand our scope--in the conceptual direction of the President's proposed Department of Human Resources, a direction of still greater comprehensiveness.

This, I think, is the right direction. I am convinced that management in the area of human resources--if it is to succeed at all in alleviating social problems--must reflect an appreciation of the interdependency to which I have alluded. HEW must, as I have urged, be viewed not as a conglomerate but as a coalition. In planning and in programming, our perspective must be comprehensive. Resources must not only be better brought together, they must be better fitted together. Integration must replace fragmentation.

Inevitably, extension of the argument for comprehensiveness raises, in the minds of some, the specter of the unmanageable bureaucratic colossus. In June of 1970, when the President announced his intention to appoint me as Secretary of HEW, the New York Times--apparently already convinced that things had gone too far--headlined, "Question: Can Anyone Really Administer H.E.W.?"

To my mind such questions are misfocussed. Administering HEW--in the sense in which it is ordinarily understood--is a relatively soluble problem. (In Chapter II, I attempt to sketch those practices which I have considered essential to the internal management of HEW.)

The more fundamental question in my mind is focussed not on the managerial skills of an individual. The more fundamental question is whether we as a society can effectively manage our human resource development.

It is this question which is of primary concern to me as I leave HEW. It is upon this question that I focus most (particularly in Chapter III) in what is my final report as Secretary of Health, Education and Welfare.

Here, I am--as one must be--deeply troubled by the sense of failure, of frustration, of futility which pervades much of our human resource system--much of our society. And I am thoroughly convinced that the conceptual framework which has guided us in the past is no longer tenable.

It is my hope that the framework which I recommend for the 1970's might better foster the continued growth of our Nation's capacity both to appreciate our humane responsibilities and to respond--equitably and effectively.

II. LOOKING INWARD

As with any human institution, the effective management of HEW is crucially dependent upon: first, people--their competence, their motivation, their morale; and second, the processes which define the relationships among people--the means openly and equitably to ensure the orderly and timely participation in the decision-making process by all affected parties, a sense of common purpose and direction, clear and fair accountability, informed and sensitive appreciation of the consequence of intended actions, opportunity for the satisfactory realization of individual and collective potential. These two sets of concerns--people and processes--are, of course, interrelated.

HEW PEOPLE

"Politicans" and Bureaucrats"

When my appointment as Secretary of HEW was announced, Oliphant produced a cartoon for the Denver Post, showing the Secretary's office filled with sniggling, smirking coffee drinkers clustered around the Secretary's chair. The caption was, "Come in, sir, we represent the thousands on your staff. You will find us petty, uncooperative, devious, unreliable, and thoroughly bureaucratic." After

more than two years on the job I am pleased to say that it just hasn't been so.

As one who considers himself both a "politican" and a "bureaucrat," I embrace both labels with equal satisfaction. I do not deny, of course, that the word "politican" can have sleazy connotations, just as the word "bureaucrat" can imply inertia. But politics is the art of reconciling competing claims in a free society, and bureaucracies are the indispensable means of translating policies into results.

HEW career people bring to the task of Government something which few politicans have: many years of continuous service in the executive branch. And with this experience they bring a wealth of knowledge and insight into the problems of government that politicans rarely attain. They are typically people of strong principle and high competence who respect the role of the political appointee--which is to express, on behalf of the President, the will of the electorate. They fully deserve to receive respect in return.

Opportunity and Performance

In order further to strengthen the capabilities of those who participate in the process of translating policies

into results, and to improve the opportunity for service and for advancement within the bureaucracy, we have initiated a number of internal programs.

The most significant and far-reaching of these is our Upward Mobility Program. Comprised of several inter-related components--the public service careers program, the Upward Mobility College, job restructuring and refined career ladders, special training programs for the dis-advantaged, and career counseling--the program is designed to enhance the training, development, and career advancement opportunities of HEW employees in lower grades. Undoubtedly, the most innovative and farthest advanced of these components is the Upward Mobility College--sometimes known as "The College Without Walls"--which literally brings the campus to the student by offering, at work, a full range of academic courses leading to an associate or bachelor's degree.

Although the program has not been a complete success--for a variety of reasons several first-year goals proved to have been overly ambitious--commitment to the program remains sincere and strong. It now appears likely that about 6,000 employees will have been selected for the Upward Mobility Program--and that 90% of these will be in-training--by June 30, 1973.

Recognizing the unique programs which affect the status of women, both within the Department and in society as well, and our limited knowledge of the fundamental causes and nature of the problems, I established in February 1971 the Women's Action Program. Its broad charter is to examine all departmental activities from the point of view of their concern to, or impact on, women. The program has already given us new insights into the problems faced by women--not only in society at large, but also within HEW. I am pleased to be able to note that the program has defined and begun to monitor measures intended to alleviate these problems.

I am pleased, also, to be able to note that in 1972 we reached our annual target of 50 HEW enrollees for "Project Start"--a special program intended to help ex-lawbreakers return to society as responsible citizens in productive jobs. Like all such programs, this has its risks; but it is my hope that it may become an exemplar in the field of prisoner rehabilitation.

Two fundamental concepts have governed these and related efforts: First, I have been convinced that whatever we do to improve the careers of the disadvantaged,

of lower-graded employees, of minorities and of women, will at the same time improve the Department's performance. I fully expect that through these efforts HEW will better be able to attract and retain a stable and highly motivated work force. And second, the HEW mission and the nature of its programs dictate that it must exercise positive leadership in the national effort to recognize and promote human dignity and individual worth. We cannot do this merely by precept or even by furnishing money to support worthy undertakings. We must first practice what we preach, and this is a challenge that I personally--and I trust the entire Department--have wholeheartedly accepted.

If we are to make HEW what it can be, and what any honest recognition of our responsibilities to the American people requires that it be, then we shall need the best efforts of everyone within the Department. I believe that the necessary momentum has gathered and that, with the help of each person in the Department, it will deepen and broaden--to the ultimate benefit of those whom HEW is intended to serve.

OVERDUE PROCESSES

It is sometimes said that federal bureaucracies are possessed of an excess of "fat." In the case of HEW, I would suggest, instead, a related metaphor: HEW's growth in muscle outstripped the growth of its nervous system. For it is fair to say that HEW's rapid program growth in the 1960's left it, until recently, ill-equipped to provide a coherent sense of direction for itself, to formulate objectives and coordinate its behavior in their pursuit, to ensure prompt and orderly decision-making, and to modify its behavior on the basis of accumulated information about its impact.

As newly-appointed Secretary I saw my first task as one of harnessing the energies of what some viewed as a troublesome monster--one which, at times, I could view as a dinosaur perhaps, but one which neither would nor should soon become extinct. The task was to bring to an enormous aggregation of responsibilities the capacity effectively to respond.

Internal DHEW Processes

Our efforts to improve HEW's responsiveness have been successful--due, in large measure, to the following:

--The formulation and adoption of comprehensive Departmental goals--dependency prevention and institutional reform.

These goals may be stated as follows: (a) to help individuals lead healthy, dignified and independent lives to the maximum extent possible; and (b), to ensure that the institutional means to accomplish this goal are efficiently considerate of and responsive to individuals' needs.

The goals of dependency prevention and institutional reform are, in addition to being particularly appropriate to HEW, of special appeal to me.

The effort to prevent dependency responds to the deepest instincts of a society which affirms the ultimate worth and dignity of each individual. As one of the founders of the National Association for Retarded Children once said, "We learn (many of us perhaps only subconsciously) that if our way of life

is to survive, every individual. . .must be counted an individual and accorded his place in the sun."

Moreover, resources invested in the prevention of dependency can yield major long-term dividends. One disabled individual may, during a lifetime, receive anywhere from $30,000 to $100,000 in public assistance payments. If he were not dependent and had an average annual income of $8,000, the same individual in a family of four would pay taxes totaling $42,000 over his lifetime. Thus, when a handicapped person is helped to become a contributing member of society, he is transformed from a charge on the public into one who is not only independent of the government but able to contribute through his taxes to helping others.

The goal of institutional reform also responds to what I believe to be basic perceptions and values in our society. All of us can agree, I think, that in a vast, increasingly urban, increasingly homogenized society, the most critically needed changes in our institutions are those which increase their humane responsiveness. Institutions and their activities, after all, do not

exist for their own sakes; they exist for people. Where programs are rigid--where they suffer from "hardening of the categories"--they must be made flexible; and where they are remote, they must be opened to consumer participation and made accessible.

Like the prevention of dependency, institutional reform can also contribute to the conservation of limited resources. It can seek to assure that the agencies, organizations, and skills that are capable of making some contribution to the protection and development of human resources are properly deployed. The great needs and high expectations of those who call upon our human service institutions require that these institutions be made to work as efficiently and as effectively as possible. Overlap, waste, duplication, jurisdictional jealousies, persistence in outmoded methods--any or all of these things can only drive deeper the wedge between promise and performance.

The formulation of these goals has enable each agency and each individual within the Department to appreciate more fully the shared purposes of HEW. And it has enabled us to engage in a far more rational process of resource allocation and decision-making--measuring each

competing claim, insofar as possible, with regard to its relative contribution to the common goals.

--The development of mechanisms to ensure that, insofar as possible, all those who may be affected by a decision have an opportunity to present their views to the decision-maker--prior to decision.

In order to encourage coordination, consultation and communication throughout the Department, and to ensure that no issues are forwarded for final decision until and unless all affected HEW parties have had a fair opportunity to participate in the development of recommendations, I established an Executive Secretariat--charged with responsibility to ensure due process with regard to Secretarial decision-making.

And to facilitate the communication of views by interested external parties, I established two principal points of contact and responsibility within the Office of the Secretary: The Office of the Special Assistant for External Affairs--which acts as liaison with interest groups and professional associations; and the Office of Special Concerns--charged to act in an advocacy capacity on behalf of minority groups and women.

Through these new mechanisms, we have attempted to make decision-making more open, more fair--and more informed.

--The development of a fair, useful and workable accountability system.

The Operational Planning System, initiated by Secretary Finch--the first application of management by objectives to the execution of large-scale social programs--is a key element in this effort. Its purpose is to ensure that departmental resources are allocated--and that progress is monitored--in accordance with the Department's long-range strategies and priorities.

Too often in the past, program managers have been led to conceive of their accomplishments in terms of budget and staff increases. Through the Operational Planning System, meaningful objectives and associated deadlines are set. Managers are then held accountable to the Secretary for specific, measurable accomplishments--such as reduction in the illiteracy rate or improvement in nutritional status among a given target population. And the Department, in turn, is held accountable to the public.

Most HEW agencies have now established their own internal operational planning systems--and they are not tracking more than 700 objectives, consistent with the broader HEW objectives. Recent improvements in the system have placed greater emphasis on the development of cross-agency objectives--for the reduction of drug abuse, the reduction of fragmentation in the human service delivery system, the improvement in the quality of nursing homes, and many more. The monitoring of these objectives will encourage greater inter-program coordination--and the more effective use of limited resources.

Continued conscientious application of this process can, I believe, achieve a degree of responsible management that has seldom been attained by government agencies.

--The development of an orderly system for policy development and implementation

Early in 1970, I commissioned a study of HEW's experience with policy development and implementation. The study showed serious weaknesses--a reactive rather than active procedure; no systematic means for setting priorities for policy issues; a lack of coordination among legislative development, budgeting, and planning; erratic monitoring

and coordination; lack of review procedures and quality controls; and lack of clear assignments of responsibility. In several cases enacted legislation had never been implemented, studies had been shelved with no provision to follow through on recommendations, and frequent duplication of effort occurred in staff offices and agencies.

To overcome these shortcomings, I formalized a Planning Cycle and a Policy Development and Implementation Process that recognizes a sequence in which issues are identified and analyzed, decisions are taken from among alternatives, and legislation or appropriations are obtained and implemented with precise planning, monitoring and evaluation.

In order that the Department may better anticipate external events, and in order that demands on limited staff resources may be staggered, a master calendar, coordinated by the Assistant Secretary for Planning and Evaluation, now guides the HEW planning process through a series of key milestones over a two-year cycle.

For issues which do not fall within the formal planning process, the Policy Development and Implementation process, coordinated by the Executive Secretariat, assures that responsibility is clearly assigned to the appropriate functional Assistant Secretary--in accord

with the stages in the policy development sequence.

For issues of such scope, complexity, and importance that the Secretary finds it advisable to have one person whom he can hold accountable, the process provides for designation of a special project manager. There are ten project managers now assigned in areas such as health insurance, drug abuse prevention, long-term care, Allied Services, and health maintenance organizations.

Through this combination of mechanisms, the Secretary of HEW is now routinely able to set priorities more rationally; to ensure appropriate participation, coordination, and assignment of responsibility; and to monitor progress.

Critical Evaluation

In the decade of the '60's HEW programs proliferated--launched often with the best of intuition and intent. To many, the impact of these programs--based on what hard evidence we have been able to gather--has proved disappointing.

Given the squeeze between rising costs and rising expectations, our society can no longer afford to indulge the "don't just stand there, do something" syndrome that

has so often characterized reactions to current appeals. It is not that "doing something" is necessarily wrong. At a time of disillusionment with the integrity of government, however, ineffective responses to needs we do not really know how to meet can only compound distrust and reinforce alienation.

It is more urgent than ever before to be able to apply objective measures to the performance of our programs. Despite this urgency--and despite the steps which I outlined in my 1972 report and additional steps taken in the interim--our present capacity to do this is seriously limited.

We want to know what works. We want to know what works best. We want to know what it costs to get some improvement. We want to be able to measure the trade-offs among competing alternatives in order to invest our limited resources in the most effective methods and programs.

We need better methods of measuring performance in order to make meaningful, decision-oriented evaluation a regular part of program administration. Too often we act like the proverbial drunk searching for keys under a street lamp who, when asked where he lost them responded,

"Down there in that dark alley"--and who, when asked why he was not searching in the alley, replied, "Because the light is here at the corner."

In addition to improving the ability to glean "objective" data, we must increase our sensitivity to a special body of "subjective" data--the opinions of HEW's consumers.

It was on this premise that the "PEBSI" project--Program Evaluation by Summer Interns--was initiated in 1970. (PEBSI retains community residents to survey users and and eligible non-users of HEW-funded services.) Based on experience with PEBSI--and with consumer participation on program advisory councils--we are now developing flexible means to encourage and institutionalize the development and application of a variety of methods of consumer evaluation.

Aristotle is said to have remarked, "If you want to know how a shoe fits, ask the wearer not the maker." Yet while this rather obvious point has not been lost on the American private sector, it has remained too long unappreciated by the public sector.

If we are to be properly responsive, we can not sensibly look inward without also looking outward--toward those whom it is our responsibility to serve.

III. LOOKING OUTWARD

THE PROBLEM--A DEVELOPING CRISIS

There is, in my opinion, a developing crisis--still largely hidden--facing the human service sector of our society, a crisis which may challenge the fundamental capability of our society to govern itself.

It is a crisis of performance--our institutions are failing to live up to our expectations.

It is a crisis of control--in many fundamental respects the human service system is developing beyond the scope of Executive control...or of Congressional control...or of consumer control...or of public control.

It is, as a result, a crisis of confidence--there is an increasingly pervasive sense not only of failure, but of futility. Not only is the capacity of our institutions challenged, so too is our regenerative capacity. And while an increased recognition of the limitations of our past conceptions would be a mark of maturity and a highly desirable corrective, increased despair would be a dangerous over-corrective.

Our intellectual resources seem curiously barren. Prophets of hope of the 1960's--still tied to their old

conceptual frameworks--marshal an increasing weight of evidence to refute hypotheses once held dear. Too few have found their way to constructive reconception. Yet it is only through reconception that we will regenerate our capacity satisfactorily to perform.

The Performance Gap

I introduced my 1972 report with a discussion which seems to me to bear repeating:

> We are standing at a unique juncture in the course of history. At no other time have we been so aware both of how breath-takingly close we have come to realizing the promise of America for all its citizens and of how painfully far we are from locating and gathering all the resources that would fulfill that promise tomorrow.
>
> The founders of this complex and diverse Nation, and each succeeding generation, set themselves truly awesome tasks to perform. For the most part, their aspirations and their capabilities have been within hailing distance of each other. In our own time, great though the growth in our resources, the growth in our expectations

has been even greater.

When we compare ourselves with those who preceded us, or with others in the world today, there is no denying that we are succeeding, that we are in fact moving ever closer to the promise of this country. We are now one of the oldest nations in the world with an enduring and vital Constitution. We have not only retained our original freedoms but have enlarged upon them, particularly with respect to civil rights.

Our lives are longer and healthier. We are better educated. And the number of people living in poverty is not only a relatively small proportion of the total population, but it is declining. The miseries suffered by most of the world's population are fortunately beyond the imagination of most Americans..

Yet, despite the gains that we can see and despite the change in national priorities, frustrations and disappointments abound, and alienation from our basic institutions seems endemic. Why is this so?

One reason, it seems to me, stems from our very successes. As Alexis de Tocqueville wrote many years ago:

> The evil which was suffered patiently as inevitable seems unendurable as soon as the idea of escaping from it crosses men's minds. All the abuses then removed call attention to those that remain, and they now appear more galling. The evil, it is true, has become less, but sensibility to it has become more acute.

It is not, then, that we have come so far, but that we seem so near, so exasperatingly near, to realizing our national hopes, that some of us grow impatient and angry. What could be suffered silently or even cheerfully when there was no chance of improvement becomes intolerable as soon as it is learned that a cure is within our capability. And then we must have the cure immediately.

Another reason is that we are constantly setting ourselves ever more difficult goals to achieve. We may reach a goal today that appeared improbable or optimistic yesterday, but instead of finding in this success a source of satisfaction, we find a sign of failure.

There is, besides, much actual failure. Exaggerated promises, ill-conceived programs, over-advertised "cures" for intractable ailments, cynical exploitation of valid grievances, entrenched resistance to necessary change, the cold rigidity of centralized authority, and the inefficient use of scarce resources--all these add to frustration and foster disillusionment.

Population growth, technological change, mass communciations, and big government, meanwhile, have been progressively submerging the individual's sense of personal significance in a gray, featureless sea of homogenized humanity. In a country which has been dedicated from its beginning to the liberation of human aspirations and the fulfillment of human potential,

these massive changes result in vague feelings of anxiety and unease. We yearn for a greater voice in--a greater impact on--the processes that affect our lives. We long to make a difference.

But the most profound and far-reaching source of our frustrations and disappointments is to be found in the "expectations gap" to which I alluded before.

The Budgetary Spiral

The growth of the performance gap--or the "expectations gap," as I have suggested it might better be termed--has occurred in the context of, and in spite of, a phenomenal increase in Federal resources allocated to health, education, and welfare.

In fiscal year 1954, when HEW was first established as a Department, HEW expended $5.3 billion; in the current year HEW will expend almost $80 billion more. As a percentage of Gross National Product, HEW expenditures have grown from 1.5% to 7.1%. In this short period--less than two decades--HEW's share of the total federal budget has increased from 7.5% to 33%.

The average per capita expenditure of HEW resources in 1954 was $33. This year HEW will spend, on average, almost $400 for every man, woman and child in America.

We cannot, in fairness, pretend that federal investment in human resources has done anything other than soar. And the pressures which have accounted for this flight--inadequate Congressional budgeting practices and inefficient management systems in the human resource sector as well as legitimate pressures to expand eligibility and enlarge benefits--will not readily abate.

A Political Shell Game

In the context of rapidly increasing budgets and even more rapidly increasing expectations, it is disheartening to observe the patterns of Congressional behavior.

Historically, one set of committees in the House and Senate creates programs and another set actually provides the money for them. The political incentive for a member of an authorizing committee is to pass bills with big price tags--and much publicity--to show he "cares about solving problems." Such an incentive does not apply to members of appropriating committees. Time after time, the figures on the price tag are higher

than anything the Executive Branch can in good conscience request, and higher than anything that appropriations committees are willing to provide. There results, then, an "authorization-appropriation gap"--a gap which has grown by $3 billion in the last year alone and is now over $13 billion.

For the public, the authorization-appropriation process has become, in a sense, a shell game. Hopes are raised by attention to the authorizing hoopla, only to be dashed by the less flamboyant hand of the appropriations process.

The problem is compounded by the apparent political need for each Congressman to get credit for authorship of a bill of his own--and if not for a bill of his own, for as many bills as possible. The result is a plethora of narrow categorical bills--maximizing the political benefit--where a more comprehensive bill might better promote the public benefit. This process reaches an absurd extreme when Congress passes new laws which convey authority that already exists--again, with flourishes of press releases and self-congratulation. In the past three years, Congress has enacted at least ten such laws

affecting HEW alone. Each ardently woos a particular constituency, addresses a specific problem. A striking example is the purportedly new authority to make grants for communicable-disease control. It so happens that HEW has had similar authority since 1878. Typically, the enactment misleads the public into believing that nothing has been done before and that something dramatic is about to happen.

The problem is further compounded by the rampant faddism which seems to grip the Congress and the public. By an irrational process, some diseases are determined to be "in," others are not. In some cases, a disease which affects but a small percent of the population--and for which there is no known cure--becomes "in." But hypertension, for example--although it afflicts 23 million Americans, better than one in ten; although it directly causes more than 60,000 deaths a year (with a mortality rate 15 times higher among middle aged blacks than whites); although it contributes to hundreds of thousands of additional deaths annually; and although we know how to control the disease--has not become "in." We have, in effect, a system of periodic promotions of the disease or problem of the month--with the implicit suggestion that legislative action will effect a cure. And we have "impulse buying"--down the

length of a virtually limitless shopping list.

There are, of course, too many competing claims for the promissory notes of the authorizing committees to be redeemed for full face value by the appropriations cashier. But in none of this is there a rational approach to priority-setting. The appropriation process is itself highly fragmented. HEW's resource allocation is determined piecemeal by ten different subcommittees--with no coordination of any kind.

The net result is too little of too much--and unfulfilled expectations. The dynamic is perverse.

A Matter of Equity

Just as the proliferation of categorical programs ensures underfunding, a derivative effect is public subsidy and administration of a system which is massively inequitable.

The new nutrition program for older Americans--enacted in the last year--provides a case in point. The program is intended to provide nutrition services--including one hot meal per day--for older Americans who "cannot afford to eat adequately" or who have "limited capability to shop and cook" or who "lack skills

and knowledge to select and prepare nourishing and well-balanced meals" or who experience "feelings of rejection and loneliness." There can be no doubt that the authorizing Act reflects a worthy intent--to insure that older Americans be properly nourished. It authorizes $100 million--a seemingly large sum--to serve this intent; and the President requested that the full $100 million be appropriated.

We can predict with complete confidence that this new program--launched with much fanfare--will not possibly succeed in fulfilling its implicit promise. In point of fact, one hundred million dollars represents but a small fraction of the resources needed to get the intended job done. It will allow approximately 250 thousand older persons to be served--but we estimate that there are, at a minimum, 5 million older Americans who are eligible for service according to the definition of eligibility now prescribed by law. To serve that eligible population equitably would require at least two billion dollars per year. In effect, for every older American who is served by this program, there will be at least nineteen older Americans--eligible and similarly situated in need--who will not be served.

This example is not atypical. HEW now spends about $9 billion per year to finance service programs which provide special benefits to limited numbers of people who, for one reason or another, happen to have the good luck to be chosen to participate. Indeed, there is little cause for wonder that our governmental institutions are viewed as inept and unfair.

To disguise the inequity problem, many programs are misleadingly labeled "demonstrations"--although it is clear that their intent is to serve, not to demonstrate in the conventional sense of the word. But this fundamentally inequitable system cannot long survive as such. It is all but certain--and rightly so--that the Federal government will be faced with more and more law suits demanding equal opportunity and access to services for those who are similarly situated in need.

It is important to note that the cost of extending the present range of HEW services equitably--to all those who are similarly situated in need--is estimated to be approximately one quarter of a <u>trillion</u> dollars. That is, the <u>additional</u> cost would be roughly equivalent to <u>the entire Federal budget</u>!

The Bureaucratic Labyrinth

Since 1961, the number of different HEW programs has tripled, and now exceeds 300. 54 of these programs overlap each other; 36 overlap programs of other departments. This almost random proliferation has fostered the development of a ridiculous labyrinth of bureaucracies, regulations and guidelines.

The average State now has between 80-100 separate service administrations and the average middle-sized city has between 400 and 500 human service providers--each of which is more typically organized in relation to a federal program than in relation to a set of human problems. In spite of our efforts at administrative simplification, there are 1200 pages of regulations devoted to the administration of these programs with an average of 10 pages of interpretative guidelines for each page of regulations. The regulations typically prescribe accounting requirements that necessitate separate sets of books for each grant; they require reports in different formats for reporting periods that do not mesh; eligibility is determined program by program without reference to the possible relationship of one program to another; prescribed geographic boundaries for service areas lack

congruity. In general, confusion and contradiction are maximized.

Although studies indicate that more than 85 percent of all HEW clients have multiple problems, that single services provided independently of one another are unlikely to result in changes in clients' dependency status, and that chances are less than 1 in 5 that a client referred from one service to another will ever get there, the present maze encourages fragmentation.

As an administrative matter, the system is, at best, inefficient. As a creative matter, it is stifling. As an intellectual matter, it is almost incomprehensible. And as a human matter, it is downright cruel.

A System Out of Control

The problem, in short, is that--in spite of the fact that the HEW "monster" is now moving toward a reasonably satisfactory condition of administrative control--the larger human resource development system, of which HEW is but a part, is a system out of control.

The HEW budget is spiraling upward--and more than 85 percent of the budget is determined not by what the Executive Branch might request or the Congress might

appropriate, but simply by the expanding number of eligible people who claim benefits. Pressures for greater equity threaten to force impossible quantum jumps in resource requirements. The Congress is not organized to bring the process of budgeting under rational control. Expectations--inflated by a political shell game--rise faster than the capacity of the system to perform. Proliferating programs foster the development of a fragmented and ill-coordinated service delivery maze--in which clients are literally lost--a complex maze which defies the comprehension of administrators and citizens alike. Subsystems struggle to expand without regard to each other--promising only to compound inefficiency. Social problems remain unsolved. Intuitive tendencies to "do something" too easily follow a line of little resistance: the line to additional "programs." And the perverse dynamic is reinforced.

One can imagine a point of reckoning at which the magnitude of ill-treated problems is fully perceived--along with a profound sense of failure. And one can only hope that the troubled reaction toward the institutions held accountable would be reasoned and responsible.

RECONCEPTION AND REGENERATION

There is--along with a history of idealistic American efforts at organized beneficence--a powerful American tradition of skepticism toward such efforts. The latter strain of concern was succinctly articulated by Justice Brandeis: "Experience should teach us to be most on our guard when the Government's purposes are beneficent. Men born to freedom are naturally alert to repel invasion of their liberty by evil-minded rulers. The greatest dangers to liberty lurk in insidious encroachment by men of zeal, well-meaning but without understanding." It was put more colloquially by Thoreau: "If I knew for a certainty that a man was coming to my house with the conscious design of doing me good, I should run for my life."

In many respects, our present "helping" systems provide empirical support for such skepticism. Yet the development of our society is beyond the point where it is possible--or desirable--to shrink from a major, organized, public responsibility for health, education and welfare objectives. The challenge is to find means to pursue these objectives in ways that "work" in a narrow sense--and in ways that also preserve and enrich

the dignity and independence of the individual and the capacity of the system to continue to perform.

To begin to find such means, the following are prerequisite:

--We must first level with each other about present approaches to social problem solving.

We must acknowledge that passing narrow categorical legislation does not in any way ensure the intended remediation of problems; that, indeed, it may be counter-productive; it may further squander limited resources by spreading them too thinly or by allocating them to areas for which the state of the art is inadequately developed; and it may further complicate a service delivery system already paralyzed by ill-organized complexity.

--We must recognize, as we have with both foreign affairs and natural resources, that resources we once thought boundless--human, financial, and intellectual resources--are indeed severely limited.

We must abandon our simplistic and excessive emphasis on "reordering priorities"--an emphasis which ignores, first, the fact that priorities have been reordered,

that human resource expenditures have jumped in the past four years from 32% of federal expenditures to 45% (exactly reversing the trend in defense expenditures); an emphasis which, as a more serious fault, fails to recognize the magnitude of the resource dilemma--the fact that impossible quantum jumps would be necessary to provide presently subsidized services equitably to those in need.

--We must radically simplify our conception of the functions of HEW in order to make comprehensive analysis and administration manageable.

To this end, I recommend we conceive of HEW--apart from its regulatory responsibilities--as having only three basic functions (to which each of its 300 programs might be assigned): (1) providing financial assistance to individuals; (2) providing financial assistance to States and localities; and (3) building human resources capacity. We may then readily discuss: (a) reform--in relation to each of these functions; and (b) broad system dynamics--the relationship among the functions.

Only with such a comprehensive and comprehensible conceptual framework will we be able rationally to engage, focus and sustain public attention and debate.

(1) Financial Assistance to Individuals--Ensuring Dignity and Independence

At the heart of activity in the Department of Health, Education and Welfare are programs which provide cash or near-cash benefits to families and individuals--Medicaid, Medicare, Student Aid, Social Security, Supplementary Security Income, Aid to Families With Dependent Children. Such programs have been accepted as a legitimate public function--a direct means of ensuring at least a minimum level of dignity through consumer purchasing power. These programs are becoming increasingly a Federal responsibility, rather than a State and local one, for three reasons: benefits can often be distributed on the basis of objectively determined personal characteristics, such as age, family size, and income, so that local personalized administration--often inappropriately intrusive--is unnecessary; there are often large economies to be gained by centralizing the eligibility and benefit determination functions; if large State-to-State differences in eligibility and benefit levels are permitted, uneconomic

migration results. The process of Federalizing these functions is not, of course, complete, but the pressures in this direction are clear.

Although the administration of these programs is increasingly Federal, it is important to note that among governmental interventions these programs, basically income transfer programs, actually provide the greatest degree of decentralization of choice--to the level of the individual, who is able to exercise his discretionary power in the private marketplace. In this respect--in cases where one may assume satisfactory consumer and market responsiveness--such interventions are to be preferred.

But in spite of the long-term trend toward Federalization, and the preferred character of the intervention, this class of programs--and selected service programs which might better be converted to income programs--are in pressing need of reform. We must "cash out"--convert to income--those service programs which are known to be ineffective and those service programs whose intended benefits could more effectively or more equitably be achieved by the distribution of

income. But the essential challenge is to design and enact necessary health, education and income assistance so that it is at once reliant on normal incentives for private action in the public interest, simple, comprehensive, equitable, and adequate.

Increasingly health is construed as a "right," yet health insurance coverage is very uneven. About four-fifths of the population under age 65 have some form of private health insurance, much of which is included as part of the "fringe benefits" package offered to workers. But whereas over 90 percent of those earning in excess of $10,000 have hospital and surgical coverage, for those earning less than $5,000 the proportion with such coverage is less than 50 percent. Protection against medical costs arising outside a hospital is considerably poorer for all income groups. Problems of little or no in-depth coverage are most serious for five major groups: those employed in less prosperous industries or firms, those with low average levels of wages and salaries, small firms which cannot avail themselves of lower cost group insurance, the self-employed, and the unemployed who are not on welfare. The

problems of lack of protection are compounded for those who have no fixed employer or who change jobs from time to time.

In many instances, present day health insurance coverage is upsidedown in terms of providing protection against risk. Not surprisingly, this state of affairs creates some strange behavior. Consumers worry about the financial devastation of a major illness, and are unable to protect themselves adequately against such a risk. Concurrently, they pay large premiums to health insurers for first-dollar coverage and feel they have not "got their money's worth" over a year if they fail to receive large reimbursement checks. The contrast with other types of insurance could not be more extreme--it is considered peculiar to find the homeowner annoyed about not collecting on his fire insurance policy last year, or a family lamenting its lack of return on the husband's life insurance. These inequities and incongruities must be remedied.

The financing of higher education--in spite of recent reforms--remains too heavily weighted toward institutional aid. This approach tends to promote

the common denominator interests of faculty and professional guilds--and tends to be slow to change. In contrast, direct student aid, through redistributive aid and guaranteed loans, tends to foster the freer play of market forces, and more rapid adjustment to labor market conditions. In general, because student market choices will with rare exceptions be congruent with Federal goals, reforms which allow freer market play will better achieve Federal objectives in post-secondary education. Such reforms must be advanced.

But by far the most pressing area for reform is the disgrace we mistakenly call a welfare system. This chaotic non-system is widely agreed to function in exactly the opposite manner from that which we would wish. It encourages the dissolution of the family. And it provides incentives to stay on welfare rather than to get off--under the present system, many employable persons would incur a net loss by accepting paid employment.

Any responsible approach to reform must remedy these ills. It must provide a uniform national income floor for all those who are truly unable to work. It must provide coverage for the working poor--"horizontal equity"--and strong financial incentives to encourage employable people to work. And it must provide not only incentives to work but opportunities to work.

In the latter regard, it is my view that we ought to recognize that being a mother is hardly being unemployed. But even if one were not to value highly the character of this work, one could be led to the conclusion that needy mothers ought to receive welfare payments for performing caretaker functions for their own children. The cost of an alternative system of day care and the likely incapability of our society efficiently to find alternative employment for all needy mothers make the alternative policy approach excessive in both expense and promise.

The President first proposed a comprehensive approach to the welfare problem almost three years ago. Congress still has not acted. The archaic, inefficient and fraud-prone administrative structure of the present welfare apparatus remains idle. Escalating costs--for subsidized failure--now exceed the costs for what would have been achieved had reform been enacted. Welfare recipients, concerned citizens and taxpayers all are demoralized.

The scope of the tragedy now extends beyond the earlier dimensions of the welfare problem; it is now a problem of government in general. In the face of what is almost universally recognized as an extraordinarily serious problem of public policy, our institutions are unable to respond. If we are to restore confidence in government, the first order of business must be action on welfare reform.

(2) Financial Assistance to States and Localities--Reforming the Intergovernmental Delivery System

In the past two decades the percentage of State and local outlays financed by Federal funds has doubled --from 10 percent in 1950 to 20 percent in 1970. Now that general revenue sharing has been enacted, the percentage will grow further. This aid is distributed through 530 categorical programs--more than half of which are HEW programs--whose administrative regulations, eligibility requirements and sheer number serve to overwhelm public officials at all levels.

Many of these categorical programs are Federal programs primarily because the Federal revenue system has typically been stronger and more efficient than State and local revenue systems--but not because there is a fundamental incongruity as between State and local objectives, on the one hand, and the Federal interest, on the other. We have slipped into a confusion which has led many to believe that as an absolute rule in our system the level of government which provides the revenue must also provide a high degree of administrative guidance and oversight with regard to the uses of that revenue. Except when there is reason to believe that Federal interests are fundamentally at odds with State

and local interests, there is no reason that this should be the case. And indeed, as we have seen, there are reasons that it should not be the case: excessive Federal involvement has yielded a delivery system which is highly inflexible, confused, inefficient and ineffective.

What we need now is to simplify and decentralize program decision-making. We must, at the same time, preserve those safeguards, but only those safeguards, necessary to protect the unique Federal interest. Simplification need not--and it should not--mean abandonment of commitment to minorities, the poor, and the disadvantaged; we can and we must--through legislative and regulatory provisions--protect the interests of those who have found it difficult to gain satisfactory access to the service delivery system.

There are two basic approaches available to the Federal Government to effect the necessary reforms--a "top-down" approach (Special Revenue Sharing) and a "bottom-up" approach (Allied Services). I would recommend that we proceed with both--recognizing, of course, that both are enabling approaches which depend ultimately upon States and localities for the implementation of meaningful reform.

The unproductive complexity of the current intergovernmental delivery system derives primarily from downward pressures from the "top"--the Federal level. These pressures can be reduced directly by reversing the pattern of Federal program proliferation--by consolidating legislative authorities. A degree of progress has been made in this direction through the gradual rationalization of the HEW appropriation structure--in the past year we achieved a net reduction of 14 appropriations in spite of an increase of 27 programs. But a more direct approach--and one which would more readily clarify both Congressional intentions and necessary trade-offs--is the consolidation of related authorizations, or "Special Revenue Sharing." Such consolidation would enable States and localities to structure organizations and to design programs as they see fit in order to achieve the broad purpose described by the consolidated authority. This greater flexibility --in addition to allowing more rational adjustment to varying local circumstances--is also likely to permit greater administrative efficiency in the short term, and more creative innovation for the long.

We have proposed--but the Congress has not acted upon--the consolidation of 33 different educational authorities into a single Educational Revenue Sharing package. The

package would provide financial assistance to States in 5 broad categories of need and concern: education of the disadvantaged, education of the handicapped, vocational education, education support for children from areas owned by the Federal government, and support services.

I would recommend that we also apply this approach to health by creating a single broad Health Revenue Sharing authority--combining present programs for comprehensive public health services, control of venereal disease, lead poisoning, rodents, and other communicable diseases, and for medical social services. The goals of all these programs are shared by States and localities, and are more likely to be impeded than advanced by the presence of excessively complicated procedures for Federal guidance and oversight. I would extend the concept, also, to Social Services Revenue Sharing--grouping HEW's diverse social service authorities in relation to three target groups: children and families, the disabled, and the aged. 90% of the social service funds now allocated to these groups are targeted on the poor. To insure that Federal service moneys are focussed on those who are most in need, I would require maintenance of this concentration --and the extension of services to the less needy only through graduated fee schedules.

This Special Revenue Sharing approach, if enacted, will allow States and localities to concentrate their time and effort not on Washington-oriented paper-pushing but on the better design and implementation of programs to serve their constituencies. And by simplifying government it will enable citizens more readily to focus upon, to comprehend, to engage and to deal satisfactorily with government. It will help reverse the trend toward despair with governmental incomprehensibility and inaccessibility.

A complementary approach to services reform is reflected in the proposed Allied Services Act. This is a "bottom-up" approach in that the proposed legislation would not itself necessarily change the relationship among existing Federal health, education and welfare programs; rather, it would depend upon States and localities to recognize the need for integrative changes--fragmentation is most seriously a problem at the local level, the point of service delivery--to plan for such changes, and, on a voluntary basis, to apply to HEW for administrative and financial relief.

This assistance would be available only to States which were willing to take such reform measures as the following: establish coterminous sub-state boundaries

for HEW programs, develop comprehensive, goal-oriented State service plans for 4 or more major HEW grant-in-aid programs, and designate local units of general purpose government to assess local service needs and develop local plans for integrating and rationalizing the service delivery system. In order to help develop and implement this reform process HEW's assistance would comprise: provision of two-year planning grants (ultimately to be replaced by the consolidated planning authorities of participating agencies), provision of three-year administrative start-up grants for the establishment of comprehensive support technologies (such as integrated client-based information, referral and transportation systems), authority to transfer up to 25 percent of any service program's funds to any other program purpose explicated in the State plan, and waivers of such HEW program regulations as can be shown to impede the integration of services.

Both approaches to services reform--Special Revenue Sharing and Allied Services--would rely principally on units of State and local general purpose government. Unlike distant extensions of a Federal bureaucracy, these units of government are held accountable to the people they serve through periodic local elections. They can, of course, be made more accountable to the

public--and they should be. In part, this can be accomplished with regard to the use of Federal funds through Federal requirements for open books, open evaluation reports, and open planning processes.

It is frequently argued that because of the historical weaknesses of State and local governments we should not rely on these institutions. But State and local governments will be reformed only as responsibility is clearly transferred to them--i.e., only when their apparent power position offers the promise of a meaningful return on reformers' investment of effort. Reformers tend now to focus on the extremes of the delivery system--in concentrated fashion on the development of Federal legislation and, in a highly diffuse and diluted manner, on local service providers. What demands attention is the structure in between.

Here, it is time we abandon ad hoc-ery. Insofar as there is to be a public role with regard to the provision of human services, it is time that we bet on a simple, clear, manageable and publicly accountable administrative structure for rationalization of the service network. I can think of none better to bet on--and to strengthen further--than the Federal-State-local general purpose government structure with which our Constitutional history has provided us. That structure cannot be

strengthened adequately by continuing to view responsibility as properly concentrated exclusively at the Federal level, while the capacity to respond necessarily depends on States and localities.

(3) Capacity Building--Closing the Performance Gap

In addition to providing financial assistance to individuals, States and localities, HEW funds a wide range of seemingly unrelated categorical grant programs. If we are to close the performance gap we must understand more clearly what these programs are intended to accomplish, and we must confine our priorities to a number which can be adequately funded and managed. To this end, I suggest grouping these programs in relation to the three following categories of human resource development activity: Special Manpower Development; Market and Services Development; and Research and Development.

Special Manpower Development programs should be focussed on areas of critical manpower shortage where special circumstances--inadequate student flow, insufficient institutional training capacity, inappropriate distribution of trained manpower--require Federal intervention. The intervention should not continue beyond the point at which the dynamics causing the shortage are remedied.

Student Aid programs, not Special Manpower Development programs, must be the primary means to allow equality of access to post-secondary education. The objective of Market and Services Development programs should be the remediation or overcoming of market imperfections in the provision of services. Again, the authorities should be time-limited--for once market imperfections are alleviated, financial assistance programs should prove the most efficient and effective means of financing the purchase of services.

Research and Development programs merit special attention in a comprehensive strategy for closing the performance gap. As suggested above, reforming the structure of HEW program authorities--and the service delivery system thereby--will improve efficiency and effectiveness. But that alone cannot possibly result in the wholly satisfactory and equitable provision of the current range of human services to those in need. Indeed, it is reasonable to assert that the job simply cannot be done with present technologies, for this would require the allocation of impossible sums (250 billion dollars--a 100 percent tax increase, which even if it were politically possible would be economically catastrophic) and the allocation of unavailable quantities of manpower (20 million additional trained personnel).

Clearly, we must organize our research and development to discover wholly new manpower and capital technologies for service delivery--with quantum leaps in efficiency. We must systematically analyze the opportunities for greater efficiency through substitution of paraprofessional and volunteer labor for scarce professional labor which is now misallocated. (Some studies, e.g., indicate that as much as 75% of doctors' work could be adequately performed by paraprofessionals.) We must note with special interest the high promise which new telecommunications technologies hold. (Sesame Street, the children's educational television program, reaches 7 million pre-schoolers for 1 hour a day at a cost of $1.23 per student per year. By comparison, it is interesting to note that Head Start, a "comprehensive child development service program," costs more than $1000 per child per year--for results which have yet to be empirically demonstrated to be superior to those achieved through Sesame Street.) And we must work to overcome the irrational barriers--from licensure and credentialing to fear--which impede the widespread application of proven new technologies. For only through their widespread application will we make major progress in closing the performance gap.

A Dynamic Approach to Progress

It is important to make clear that the reconception of HEW which I propose--the tripartite division among financial

assistance to individuals, financial assistance to States and localities, and capacity building--is, although a simpler conception of HEW, neither a static nor a regressive one. The approach must be appreciated as dynamic, the relationship among the functions as complementary, and the combined effect as progressive.

To the extent that our private and public systems for assuring adequate income for individuals are successful, there will be a reduced drain on public funds required for the provision of human services. To the extent that market imperfections can be overcome through market and service development activities, the favorable effects of the basic income systems will be further advanced. To the extent that market mechanisms are inadequate, financial assistance to States and localities is made available for provision of services consistent with the public interest. To the extent that service provision remains inadequate due to scarcity of resources, special manpower and research and development programs can be focussed to remedy (over the long term) the more fundamental resource scarcity problems. But the most significant combined effect of the reconceived HEW functions is the effect on individuals' sense of importance and involvement in governing the processes which determine the quality of life--processes which seem now to have slipped beyond control.

When I was Attorney General of Massachusetts I had the honor of delivering the C.R. Musser lecture at the University of Chicago Law School. At that time--as I would now--I argued for increased citizen participation in decision-making as a counterbalance to the centripetal tendency toward big government and the resultant alienation of many individuals. The centripetal impetus, it seemed to me, was comprised of three major components--the characteristic American demand for quick results and the related tendency to apply pressure at the most convenient single point (Washington); the need for reliance upon a Federal taxing authority and the mis-association of all program authority with this tax authority; and the incompetence of State and local government. The reconception of HEW which I propose would help balance each of these centripetal force components. It would start with a frank recognition of the limits upon our resources --an appreciation that if we demand quick results on all fronts at once we will get quick results on none, an appreciation that pressing a button may pass a law but it will not necessarily solve a problem. The reconception would rely on Federal taxing authority, but it would decentralize programmatic authority--to units of local government and to individuals, through direct financial assistance. And it would strengthen State and local governments. It would, in short, provide an operational means to give content to the now-fashionable rhetoric, "Power to the people."

IV. CONCLUSION

I have often cited two quotations of President Nixon:

> "Most Americans...will not--and they should not--continue to tolerate the gap between promise and performance in government."

> "The choice...is not between radical change and no change. The choice...is between change that works and change that won't work."

The emphasis is realistic and pragmatic. It is an emphasis which I applaud.

In this essay, I have attempted to suggest an approach to closing the performance gap--not by retreating from our responsibilities, but by being more realistic and more pragmatic about them.

There is an unfortunate tendency, on the part of many, to view pragmatism and realism as somehow opposed to high promise and humanism. But we have reached a point at which high promise and humane concern can be responsibly expressed only through operational performance which is pragmatic and realistic. To continue to pretend otherwise would be irresponsible.